

Technology Entrepreneurship

ITS 440 • Fall 2010

-Pricing Models Paper

Goals

The goal is to become familiar with some common entrepreneurial business and pricing models, the result of which will inform the class discussions and case studies over the remainder of the semester.

Instructions

Research and write an original paper about business and pricing models. I will not prescribe a page count, as I do not grade by weight. Be thorough and complete without committing the unforgivable sin of being boring.

Part One

Research the following business/pricing models and briefly describe each one, showing an example of that model in use, and noting some of its pros and cons:

- Advertising (web traffic and ad exposure)
- Premium
- Freemium
- Affiliate
- Subscription
- Virtual Goods
- Razor and Blades
- Cutting out the middleman
- Professional open-source

Part Two

- Research and describe the “Network Effect” as it relates to the value proposition of a business.
- Compare and contrast a “Network Effect” business with one imbued with “Network-Independent Value”.
- Note which models from part one might achieve Network-Independent Value and why.